

INTRODUCED July 5, 2011  
PUBLIC HEARING July 18, 2011  
COUNCIL ACTION July 28, 2011  
EXECUTIVE ACTION August 1, 2011  
EFFECTIVE DATE August 1, 2011

County Council Of  
Howard County, Maryland

2011 Legislative Session

Legislative Day No. 8

Bill No. 40 -2011

Introduced by: The Chairperson at the request of the County Executive

AN ACT approving and providing for a multi-year Installment Purchase Agreement by Howard County, Maryland to acquire development rights in two parcels of agricultural land consisting of approximately 186.18 acres combined located at 1625 Rt. 32, Sykesville, Howard County, Maryland, from The Wilbur and Lillie Mae Zepp Living Trust or any other owner thereof for a maximum purchase price of \$5,921,000 or, if less, \$31,800 per acre or portion thereof, rounded to the next highest \$1,000, plus interest on the deferred portion of such purchase price; providing that the County's obligation to pay such deferred portion of the purchase price and interest thereon shall be a full faith and credit general obligation of the County; providing for the levying of taxes for such payments; authorizing the County Executive to modify such Agreement; and providing for and determining various matters in connection therewith.

Introduced and read first time July 5, 2011. Ordered posted and hearing scheduled.

By order Stephen LeGendre  
Stephen LeGendre, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on July 18, 2011, and ~~concluded on~~  
July 18, 2011.

By order Stephen LeGendre  
Stephen LeGendre, Administrator

This Bill was read the third time on July 28, 2011 and Passed, Passed with amendments \_\_\_\_\_, Failed \_\_\_\_\_.

By order Stephen LeGendre  
Stephen LeGendre, Administrator

Approved by the County Executive Aug. 1, 2011

Ken Ulman  
Ken Ulman, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; ~~Strike-out~~ indicates material deleted by amendment; Underlining indicates material added by amendment.



1 and delivery of such installment purchase agreement), (ii) the interest rate or rates per annum (or the  
2 method of determining such rate or rates) payable on any such installment purchase agreement from  
3 time to time, and (iii) the required signatures on such documents.

4 The County has now determined to enter into an Installment Purchase Agreement with The  
5 Wilbur and Lillie Mae Zepp Living Trust or any other person who is or becomes the owner of all or  
6 any portion of the Land (hereinafter defined) prior to execution and delivery of such Agreement, in  
7 order to acquire the development rights in two parcels of agricultural land consisting of  
8 approximately 186.18 acres combined located at 1625 Rt. 32, Sykesville, Howard County, Maryland  
9 (the "Land") for an aggregate purchase price not in excess of \$5,921,000 plus interest on the deferred  
10 portion of such purchase price, as hereinafter provided. The actual amount of the purchase price  
11 shall be equal to the lesser of such maximum amount or \$31,800 times the number of acres in such  
12 land, rounded to the next highest \$1,000, all upon the terms and conditions hereinafter set forth.

13 **Now, therefore:**

14 **Section 1. Be it enacted by the County Council of Howard County, Maryland,**

15 (a) That Howard County, Maryland (the "County") is authorized to enter into an  
16 Installment Purchase Agreement (the "Installment Purchase Agreement") with The Wilbur and  
17 Lillie Mae Zepp Living Trust, or any other person who is or becomes the owner of all or any portion  
18 of the Land prior to the execution and delivery of the Installment Purchase Agreement (the "Seller");  
19 in order to acquire the development rights in the Land as part of Capital Project No. G-0163, for an  
20 aggregate purchase price not in excess of \$5,921,000 (the "Purchase Price"), plus interest on the  
21 Deferred Purchase Price (hereinafter defined) as hereinafter provided; provided that the actual  
22 amount of the Purchase Price shall be equal to the lesser of such maximum amount or \$31,800  
23 multiplied by the number of acres in the Land, rounded to the next highest \$1,000.

24 (b) The Installment Purchase Agreement shall be in substantially the form attached  
25 as Exhibit I hereto. Such form of Installment Purchase Agreement is incorporated herein by  
26 reference and in such form the Installment Purchase Agreement is hereby approved as to form and

1 content. The Installment Purchase Agreement shall be dated as of the date of execution and delivery  
2 thereof by the County and the Seller (the "Closing Date").

3 (c) A portion of the Purchase Price equal to 10% of the total Purchase Price shall be  
4 paid to the Seller on the Closing Date. The balance of the Purchase Price (the "Deferred Purchase  
5 Price") shall be paid to the Seller or its assignee in 20 equal annual installments on August 15, 2012  
6 and on the same day of each year thereafter to and including August 15, 2031.

7 (d) Interest on the unpaid balance of the Deferred Purchase Price shall accrue from  
8 the Closing Date and shall be payable semiannually on February 15 and August 15 in each year,  
9 commencing on the first of such dates to follow the Closing Date and continuing to and including  
10 August 15, 2031 at the interest rate which is equal to 2.729% per annum. Interest shall be calculated  
11 on the basis of a 360-day year of twelve 30-day months.

12 (e) The County's obligation to pay the Deferred Purchase Price under the  
13 Installment Purchase Agreement and to pay interest thereon is and shall be a general obligation of the  
14 County and is and shall be made upon its full faith and credit.

15 **Section 2. Be it further enacted by the County Council of Howard County, Maryland,**  
16 **That it is hereby found and determined that:**

17 (a) The acquisition of the development rights in the Land as set forth in Section 1 of  
18 this Ordinance and in the form of the Installment Purchase Agreement attached hereto is in the best  
19 interest of the County.

20 (b) The Installment Purchase Agreement is a contract providing for the payment of  
21 funds at a time beyond the fiscal year in which it is made and requires the payment of funds from  
22 appropriations of later fiscal years.

23 (c) Funds for the payment of the Purchase Price under the Installment Purchase  
24 Agreement are included in the Capital Budget as part of Project No. G-0163.

25 (d) The County shall acquire the development rights in the Land in perpetuity.

26 (e) The Deferred Purchase Price is within the legal limitation on the indebtedness of  
27 the County as set forth in Article VI of the Charter.

1                   (f) The cost of acquiring the development rights in the Land is equal to the  
2 Purchase Price.

3                   (g) The only practical way to acquire the development rights in the Land is by  
4 private negotiated agreement between the County and the Seller.

5                   **Section 3. Be it further enacted by the County Council of Howard County, Maryland,**  
6 *That upon agreement with the Seller, the Installment Purchase Agreement shall be signed by the*  
7 *County Executive of the County (the "County Executive") by his manual signature, and the*  
8 *Installment Purchase Agreement shall bear the corporate seal of the County, attested by the manual*  
9 *signature of the Chief Administrative Officer of the County (the "Chief Administrative Officer"). In*  
10 *the event that any officer whose signature shall appear on the Installment Purchase Agreement shall*  
11 *cease to be such officer before the delivery of the Installment Purchase Agreement, such signature*  
12 *shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in*  
13 *office until delivery.*

14                   **Section 4. And be it further enacted by the County Council of Howard County,**  
15 **Maryland,** *That the County Executive is hereby authorized, prior to execution and delivery of the*  
16 *Installment Purchase Agreement, to make such changes or modifications in the form of the*  
17 *Installment Purchase Agreement attached hereto and incorporated herein by reference as may be*  
18 *required or deemed appropriate by him in order to accomplish the purpose of the transactions*  
19 *authorized by this Ordinance; provided that such changes shall be within the scope of the*  
20 *transactions authorized by this Ordinance; and the execution of the Installment Purchase Agreement*  
21 *by the County Executive shall be conclusive evidence of the approval by the County Executive of all*  
22 *changes or modifications in the form of the Installment Purchase Agreement and the due execution*  
23 *of the Installment Purchase Agreement on behalf of the County, and the Installment Purchase*  
24 *Agreement shall thereupon become binding upon the County in accordance with its terms, as*  
25 *authorized by Article VI of the Charter, Sections 15.500 to 15.521, inclusive, of the Howard County*  
26 *Code, and the Authorizing Act (collectively, the "Enabling Legislation"), and as provided for in this*  
27 *Ordinance.*

1           **Section 5. Be it further enacted by the County Council of Howard County, Maryland,**  
2   That the County Executive, the Chief Administrative Officer, the Director of Finance and other  
3   officials of the County are hereby authorized and empowered to do all such acts and things and to  
4   execute, acknowledge, seal and deliver such documents and certificates, as the County Executive  
5   may determine to be necessary to carry out and comply with the provisions of this Ordinance subject  
6   to the limitations set forth in the Enabling Legislation and any limitations set forth in this Ordinance.

7           **Section 6. Be it further enacted by the County Council of Howard County, Maryland,**  
8   That Manufacturers and Traders Trust Company is hereby designated and appointed as registrar and  
9   paying agent for the Installment Purchase Agreement (the "Registrar"). The Registrar shall maintain  
10   or cause to be maintained books of the County for the registration and transfer of ownership of the  
11   Installment Purchase Agreement. In addition, the County may from time to time, designate and  
12   appoint the Department of Finance of the County, any officer or employee of the County or one or  
13   more banks, trust companies, corporations or other financial institutions to act as a substitute or  
14   alternate registrar or paying agent for the Installment Purchase Agreement, and any such substitute or  
15   alternate shall be deemed to be the Registrar or an alternate Registrar for all purposes specified in the  
16   resolution appointing such substitute or alternate. Any such appointment shall be made by the  
17   County Council by resolution; and the exercise of such power of appointment, no matter how often,  
18   shall not be an exhaustion thereof.

19           **Section 7. Be if further enacted by the County Council of Howard County, Maryland,**  
20   That for the purpose of paying the installments of the Deferred Purchase Price when due and payable  
21   and the interest on the unpaid portion of the Deferred Purchase Price when due and payable, there is  
22   hereby levied and there shall hereafter be levied in each fiscal year that any portion of the Deferred  
23   Purchase Price payable under the Installment Purchase Agreement remains outstanding, ad valorem  
24   taxes on real and tangible personal property and intangible property subject to taxation by the County  
25   without limitation of rate or amount and, in addition, upon such other intangible property as may be  
26   subject to taxation by the County within limitations prescribed by law, in an amount sufficient,  
27   together with the portion of the transfer tax imposed on transfers of real property in Howard County

1    which is dedicated to agricultural land preservation and other available funds, to pay any installment  
2    of the Deferred Purchase Price under the Installment Purchase Agreement maturing during the  
3    succeeding year and to pay the annual interest on the outstanding balance of the Deferred Purchase  
4    Price until all of the Deferred Purchase Price under the Installment Purchase Agreement and such  
5    interest have been paid in full; and the full faith and credit and the unlimited taxing power of the  
6    County are hereby irrevocably pledged to the punctual payment of the Deferred Purchase Price under  
7    the Installment Purchase Agreement and the interest on the unpaid balance of the Deferred Purchase  
8    Price as and when the same respectively become due and payable.

9           **Section 8. Be it further enacted by the County Council of Howard County, Maryland,**  
10   That this Ordinance shall take effect on the date of its enactment.

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\_\_\_\_\_ and

\_\_\_\_\_

the Seller

and

HOWARD COUNTY, MARYLAND,  
the County

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INSTALLMENT PURCHASE AGREEMENT  
(Agreement No. 201\_-\_)

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## TABLE OF CONTENTS

(This Table of Contents is not part of the Installment Purchase Agreement and is only for convenience of reference)

<u>Section</u>	<u>Page</u>
<b>RECITALS .....</b>	<b>1</b>
<b>AGREEMENTS .....</b>	<b>1</b>
<b>ARTICLE I</b>	
<b>SECTION 1.1.Definitions .....</b>	<b>2</b>
<b>SECTION 1.2.Rules of Construction.....</b>	<b>4</b>
<b>ARTICLE II</b>	
<b>SECTION 2.1.Agreement to Sell and Purchase Development Rights.....</b>	<b>4</b>
<b>SECTION 2.2.Delivery of Deed of Easement.....</b>	<b>4</b>
<b>ARTICLE III</b>	
<b>SECTION 3.1.Payment of Total Purchase Price.....</b>	<b>4</b>
<b>SECTION 3.2.Registration and Transfer of this Agreement.....</b>	<b>5</b>
<b>SECTION 3.3.Mutilated, Lost, Stolen or Destroyed Agreement.....</b>	<b>6</b>
<b>ARTICLE IV</b>	
<b>SECTION 4.1.Representations and Warranties of the County .....</b>	<b>7</b>
<b>SECTION 4.2.Representations and Warranties of the Original Seller.....</b>	<b>7</b>
<b>ARTICLE V</b>	
<b>SECTION 5.1.Intent of County and Tax Covenant of County .....</b>	<b>8</b>
<b>SECTION 5.2.Acknowledgment of Seller with Regard to Tax Consequences of Transaction .....</b>	<b>8</b>
<b>ARTICLE VI</b>	
<b>SECTION 6.1.Appointment of Registrar.....</b>	<b>9</b>
<b>SECTION 6.2.Ownership of Agreement.....</b>	<b>9</b>
<b>SECTION 6.3.Removal of Registrar and Appointment of Successor Registrar .....</b>	<b>9</b>
<b>SECTION 6.4.Qualifications of Successor Registrar.....</b>	<b>9</b>
<b>SECTION 6.5.Successor by Merger or Consolidation.....</b>	<b>9</b>
<b>ARTICLE VII</b>	
<b>SECTION 7.1.Successors of County.....</b>	<b>10</b>
<b>SECTION 7.2.Parties in Interest .....</b>	<b>10</b>
<b>SECTION 7.3.Binding Effect .....</b>	<b>10</b>
<b>SECTION 7.4.Severability .....</b>	<b>10</b>
<b>SECTION 7.5.Prior Agreements Cancelled; No Merger.....</b>	<b>10</b>
<b>SECTION 7.6.Amendments, Changes and Modifications.....</b>	<b>10</b>
<b>SECTION 7.7.No Personal Liability of County Officials .....</b>	<b>10</b>
<b>SECTION 7.8.Governing Law .....</b>	<b>11</b>
<b>SECTION 7.9.Notices .....</b>	<b>11</b>
<b>SECTION 7.10.Holidays.....</b>	<b>11</b>

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SCHEDULE I - Installments of Deferred Purchase Price

EXHIBIT A - Form of Deed of Easement

EXHIBIT B - Description of Land  
EXHIBIT C - Permitted Encumbrances  
EXHIBIT D - Form of Assignment  
EXHIBIT E - Transfer of Agreement - Schedule of Transferees

## INSTALLMENT PURCHASE AGREEMENT

(Agreement No. 201\_-\_)

THIS INSTALLMENT PURCHASE AGREEMENT is made as of the \_\_\_\_ day of \_\_\_\_\_, 201\_ between \_\_\_\_\_ and \_\_\_\_\_ ([collectively], the "Seller"), and HOWARD COUNTY, MARYLAND, a body politic and corporate of the State of Maryland (the "County").

### RECITALS

A. Pursuant to and in accordance with Sections 15.501 to 15.510, inclusive, of the Howard County Code, as amended, the County is authorized to protect and enhance agricultural land in Howard County, Maryland by purchasing the development rights (as defined therein) in agricultural lands located within the County.

B. The Seller is the owner in fee simple of certain agricultural real property located in Howard County, Maryland and more particularly described in Exhibit B hereto (the "Land"). The Seller has offered to sell to the County the Seller's development rights in the Land and the County has accepted such offer, all upon and subject to the conditions set forth in this Agreement.

C. The total purchase price payable for the Seller's development rights shall be \$\_\_\_\_\_ (the "Total Purchase Price"). A portion of the Total Purchase Price in the amount of \$\_\_\_\_\_ shall be paid to the Seller on the date hereof, and the balance of the Total Purchase Price in the amount of \$\_\_\_\_\_ (the "Deferred Purchase Price") shall be payable to the Seller in 20 annual installments as provided herein.

D. The County will receive the Seller's development rights in the Land for conservation purposes, which includes the preservation of farm land, forest land and open space, pursuant to the County's conservation policy and to enhance agriculture in Howard County and protect natural and ecological resources.

E. Except for the limited transferability described in the Deed of Easement referred to herein, the transfer by the Seller of his development rights in the Land shall be in perpetuity.

### AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the Seller and the County hereby agree as follows:

## ARTICLE I DEFINITIONS

SECTION 1.1. Definitions. As used in this Agreement, the following terms have the following meanings, unless the context clearly indicates a different meaning:

“Agricultural Use” means farming and includes:

- (1) Dairying, pasturage, growing crops, bee keeping, horticulture, floriculture, orchards, plant nurseries, viticulture, silviculture, aquaculture, and animal and poultry husbandry;
- (2) The breeding, raising, training and general care of livestock for uses other than food, such as sport or show purposes;
- (3) Construction and maintenance of barns, silos and other similar structures, the use of farm machinery, the primary processing or agricultural products and the sale of agricultural products produced on the land where the sales are made; and
- (4) Other uses directly related to or as an accessory use of the Land for farming and agricultural purposes.

“Business Day” or “business day” means a day on which (a) banks located in each of the cities in which the principal office of the County or the Registrar is located are not required or authorized by law or executive order to close for business, and (b) The New York Stock Exchange is not closed.

“Closing Date” means \_\_\_\_\_, 201\_, which is the date of execution and delivery of this Agreement by the parties hereto.

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to the Code herein shall be deemed to include the United States Treasury Regulations in effect or proposed from time to time with respect thereto.

“County” means Howard County, Maryland, a body politic and corporate and a political subdivision created and existing under and by virtue of the Constitution and laws of the State, its successors and assigns.

“County Council” means the County Council of Howard County, Maryland.

“County Executive” means the County Executive of Howard County, Maryland.

“Deed of Easement” means the Deed of Easement dated the Closing Date from the Seller to the County, which shall convey the Development Rights to the County in perpetuity. The Deed of Easement shall be substantially in the form attached hereto as Exhibit A and made a part hereof.

"Deferred Purchase Price" means \$ \_\_\_\_\_, the deferred portion of the Total Purchase Price to be paid by the County to the Registered Owner in accordance with this Agreement.

"Development Rights" means the rights of the Seller in the Land to develop the Land for any purpose other than Agricultural Uses. "Development Rights" shall include, but not be limited to, the right to use the Land for industrial or commercial uses, for residential purposes (except as set forth in Sections 15.500 to 15.521, inclusive, of the Howard County Code, as amended), display of signs or billboards (except as permitted by resolution of the County Council, in connection with the agricultural use of the parcel), or the storage or depositing of trash, junk, rubbish or debris.

"Enabling Legislation" means, collectively, (1) Article VI of the Howard County Charter, (2) Sections 15.500 to 15.521, inclusive, of the Howard County Code, as amended, (3) Council Bill No. 65-2006, passed by the County Council on October 3, 2006, approved by the County Executive and enacted on October 5, 2006 and effective on December 7, 2006, and (3) Council Bill No. 28-2009, passed by the County Council on July 6, 2009 and approved by the County Executive and enacted on July 9, 2009, and effective on September 9, 2009.

"Interest Payment Date" means February 15 and August 15 in each year, commencing \_\_\_\_\_, 201\_\_.

"Land" means the tract of land located in Howard County, Maryland, containing approximately \_\_\_\_\_ acres, and more particularly described in Exhibit B attached hereto and made a part thereof; provided, however, that if any lot is released from the encumbrance of the Deed of Easement in accordance with the terms hereof, such lot so released shall not thereafter be considered to be part of the Land.

"Permitted Encumbrances" means the encumbrances listed on Exhibit C attached hereto and made a part hereof and any encumbrances on or with respect to the Land or any portion thereof hereafter approved by the County.

"Person" or "person" means any natural person, firm, association, corporation, company, trust, partnership, public body or other entity.

"Registered Owner" means the registered owner of this Agreement as shown on the registration books maintained by the Registrar.

"Registrar" means Manufacturers and Traders Trust Company, a New York banking corporation, or any other person hereafter appointed by the County to act as Registrar and paying agent for this Agreement.

"Seller" means \_\_\_\_\_ and \_\_\_\_\_, [his] [her] [its] [their] [heirs, personal representatives,] successors and assigns, and any other person who becomes the owner of the Land.

"State" means the State of Maryland.

"Total Purchase Price" means \$\_\_\_\_\_, the total purchase price to be paid by the County to the Registered Owner in accordance with this Agreement.

SECTION 1.2. Rules of Construction. The words "hereof", "herein", "hereunder", "hereto", and other words of similar import refer to this Agreement in its entirety.

The terms "agree" and "agreements" contained herein are intended to include and mean "covenant" and "covenants".

References to Articles, Sections, and other subdivisions of this Agreement are to the designated Articles, Sections, and other subdivisions of this Agreement.

The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

All references made (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

## ARTICLE II SALE AND PURCHASE OF DEVELOPMENT RIGHTS

SECTION 2.1. Agreement to Sell and Purchase Development Rights. The Seller agrees to sell the Development Rights to the County and the County agrees to purchase the Development Rights from the Seller on the date hereof for a purchase price of \$\_\_\_\_\_ (the "Total Purchase Price").

SECTION 2.2. Delivery of Deed of Easement. In order to evidence the sale of the Development Rights to the County, the Seller shall execute and deliver to the County on the Closing Date the Deed of Easement in the form attached hereto as Exhibit A and made a part hereof. The Deed of Easement shall be recorded among the Land Records of Howard County, Maryland.

## ARTICLE III PAYMENT OF TOTAL PURCHASE PRICE

### SECTION 3.1. Payment of Total Purchase Price.

(a) The County shall pay a portion of the Total Purchase Price in the amount of \$\_\_\_\_\_ to the Seller on the Closing Date and shall pay the Deferred Purchase Price to the Registered Owner in installments on [February 15] [August 15], \_\_\_\_\_ and on the same day of each year thereafter to and including [February 15] [August 15], \_\_\_\_\_, in the amounts set forth in Schedule I attached hereto and made a part hereof.

(b) Interest on the unpaid balance of the Deferred Purchase Price shall accrue from the date hereof and shall be payable to the Registered Owner on [February 15] [August 15],

201\_ and semiannually thereafter on February 15 and August 15 in each year to and including [February 15] [August 15], \_\_\_\_ at the rate of \_\_\_\_% per annum. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months. No interest shall be payable on the portion of the Total Purchase Price payable on the Closing Date.

(c) The Total Purchase Price and the interest on the unpaid balance of the Deferred Purchase Price are payable in lawful money of the United States of America, at the time of payment.

(d) Payment of interest on the unpaid balance of the Deferred Purchase Price and payments of the annual installments of the Deferred Purchase Price shall be made by the County on each Interest Payment Date to the Registrar. The Registrar shall forward all such payments (other than the final installment of the Deferred Purchase Price) to the person appearing on the books of the County maintained by the Registrar as the Registered Owner, by check or draft mailed to the Registered Owner at the address of the Registered Owner as it appears on such registration books or, if the Registered Owner is a trustee who has issued certificates of participation in this Agreement, by wire transfer to such Registered Owner to the bank account number on file with the Registrar on the tenth day before the applicable Interest Payment Date, or if such tenth day is not a Business Day, the Business Day next preceding such day. The final installment of the Deferred Purchase Price shall be paid by the Registrar to the Registered Owner upon presentation and surrender of this Agreement at the office of the Registrar.

(e) The County's obligation to make payments of the Total Purchase Price hereunder and to pay interest on the unpaid balance of the Deferred Purchase Price is a general obligation of the County, and the full faith and credit and the unlimited taxing power of the County are irrevocably pledged to the punctual payment of the Deferred Purchase Price and the interest on the unpaid balance of the Deferred Purchase Price as and when the same respectively become due and payable.

(f) Notwithstanding any other provision of this Agreement, if the Registered Owner assigns [his] [her] [its] [their] right, title and interest in and to this Agreement to a trustee in connection with the creation of a trust by such Registered Owner and the issuance of certificates of participation in this Agreement by such trustee, such trustee shall be, and shall be listed on the registration books maintained by the Registrar as, the Registered Owner of this Agreement, and all payments to be made under this Agreement after the creation of such trust shall be made directly to such trustee.

### SECTION 3.2. Registration and Transfer of this Agreement.

(a) Until the Deferred Purchase Price and all interest thereon have been paid in full, the County shall maintain and keep at the offices of the Registrar, registration books for the registration and transfer of this Agreement; and upon presentation of this Agreement for such purpose at the offices of the Registrar, the Registrar shall register or cause to be registered on such registration books, and permit to be transferred thereon, under such reasonable regulations as the County or the Registrar may prescribe, the ownership of this Agreement.

(b) The original Seller is the original Registered Owner. This Agreement shall be transferable only upon the books of the County maintained for such purpose by the Registrar, at the written request of the Registered Owner as then shown on such registration books or [his] [her] [its] [their] attorney duly authorized in writing, upon presentation and surrender thereof, together with a written instrument of transfer substantially in the form attached hereto as Exhibit D, or as may otherwise be satisfactory to and approved by the Registrar in writing, duly executed by the Registered Owner or [his] [her] [its] [their] attorney duly authorized in writing. Upon the surrender for transfer of this Agreement, the Registrar shall complete the Schedule of Transferees attached hereto as Exhibit E with the name, address and tax identification number of the transferee Registered Owner, the date of the transfer and the outstanding principal balance of the Deferred Purchase Price as of the date of transfer; provided, however, that if there is any conflict between the information set forth in Exhibit E hereto and the registration books maintained by the Registrar, the information shown on such registration books shall control.

The County and the Registrar may deem and treat the person in whose name this Agreement is registered upon the books of the County maintained by the Registrar as the absolute owner of this Agreement, whether any payments hereunder shall be overdue or not, for the purpose of receiving payment of, or on account of, the Deferred Purchase Price and interest thereon and for all other purposes, and all such payments so made to any such Registered Owner or upon [his] [her] [its] [their] order shall be valid and effectual to satisfy and discharge the liability upon this Agreement to the extent of the sum or sums so paid, and neither the County nor the Registrar shall be affected by any notice to the contrary.

For every registration of transfer of this Agreement, the County or the Registrar may make a charge sufficient to reimburse themselves for any tax or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such transfer as a condition precedent to the exercise of the privilege of registering such transfer.

SECTION 3.3. Mutilated, Lost, Stolen or Destroyed Agreement. In the event that this Agreement is mutilated, lost, stolen or destroyed, the County and the Registered Owner (as then shown on the registration books maintained by the Registrar) shall execute a substitute for this Agreement having the same terms as that of this Agreement mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Agreement, such mutilated Agreement shall first be surrendered to the Registrar, and, in the case of any lost, stolen or destroyed Agreement there shall be first furnished to the County and the Registrar evidence of such loss, theft or destruction satisfactory to the County and the Registrar, together with indemnity satisfactory to each of them in their sole discretion. The County and the Registrar may charge the Registered Owner requesting such new Agreement their expenses and reasonable fees, if any, in this connection. If after the delivery of such substitute Agreement, a bona fide purchaser of the original Agreement (in lieu of which such substitute Agreement was issued) presents for payment such original Agreement, the County and the Registrar shall be entitled to recover such substitute Agreement from the person to whom it was delivered or any other person who receives delivery thereof, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor or otherwise to the extent of any loss, damage, cost or expense incurred by the County and the Registrar in connection therewith.



ARTICLE IV  
REPRESENTATIONS AND WARRANTIES

SECTION 4.1. Representations and Warranties of the County. The County makes the following representations and warranties:

(a) The County is a body politic and corporate and a political subdivision of the State of Maryland.

(b) The County has the necessary power and authority to acquire the Development Rights, to enter into this Agreement, to perform and observe the covenants and agreements on its part contained in this Agreement and to carry out and consummate all transactions contemplated hereby. By proper action, the County has duly authorized the execution and delivery of this Agreement.

(c) This Agreement has been duly and properly authorized, executed, sealed and delivered by the County, constitutes the valid and legally binding obligation of the County, and is enforceable against the County in accordance with its terms.

(d) There are no proceedings pending before any court or administrative agency which may affect the authority of the County to enter into this Agreement.

SECTION 4.2. Representations and Warranties of the Original Seller. The original Seller makes the following representations and warranties with respect to [himself] [herself] [itself] [themselves], but not with respect to any transferee Seller:

(a) The Seller has full power and authority [and is legally competent] to execute and deliver this Agreement and the Deed of Easement, and to incur and perform the obligations provided for herein and therein. No consent or approval of any person or public authority or regulatory body is required as a condition to the validity or enforceability of this Agreement or the Deed of Easement, or, if required, the same has been duly obtained.

(b) This Agreement and the Deed of Easement have been duly and properly executed by the Seller, constitute valid and legally binding obligations of the Seller, and are fully enforceable against the Seller in accordance with their respective terms.

(c) There is no litigation or proceeding pending or, so far as the Seller knows, threatened before any court or administrative agency which, in the opinion of the Seller, will materially adversely affect the authority of the Seller to enter into, or the validity or enforceability of, this Agreement or the Deed of Easement.

(d) There is (i) no provision of any existing mortgage, indenture, contract or agreement binding on the Seller or affecting the Land, and (ii) to the knowledge of the Seller, no provision of law or order of court binding upon the Seller or affecting the Land, which would conflict with or in any way prevent the execution, delivery, or performance of the terms of this

Agreement or the Deed of Easement, or which would be in default or violated as a result of such execution, delivery or performance, or for which adequate consents, waivers or, if necessary, subordinations, have not been obtained.

(e) The Seller is the sole owner and lawfully seized of a fee simple estate in the Land and has the right to grant and convey the easement conveyed pursuant to the Deed of Easement. Further, there exist no liens, security interests or other encumbrances on or with respect to the Land (other than Permitted Encumbrances), and the Seller specially warrants and will defend the County's right, title and interest in and to the easement granted under the Deed of Easement.

(f) The Seller is not a nonresident alien of the United States of America for purposes of federal income taxation.

(g) The [Social Security Number(s)] [Tax Identification No.] of the Seller [are] [is] \_\_\_\_\_ [(for \_\_\_\_\_) and (for \_\_\_\_\_)].

The representations in subsections (f) and (g) above are made under penalties of perjury and the information contained therein may be disclosed by the County to the Internal Revenue Service. The Seller acknowledges that any false statement in such subsections could be punished by fine, imprisonment or both.

#### ARTICLE V PROVISIONS RELATING TO EXCLUSION OF INTEREST FROM INCOME FOR FEDERAL INCOME TAXATION

SECTION 5.1. Intent of County and Tax Covenant of County. The County intends that the interest payable under this Agreement shall not be includible in the gross income of the Registered Owner for purposes of federal income taxation pursuant to Section 148 of the Code. Accordingly, the County shall not knowingly take or permit to be taken any other action or actions or omit or fail to take any action, which would cause this Agreement to be an "arbitrage bond" within the meaning of Section 148 of the Code, or which would otherwise cause interest payable under this Agreement to become includible in the gross income of any Registered Owner for purposes of federal income taxation pursuant to Section 148 of the Code.

SECTION 5.2. Acknowledgment of Seller with Regard to Tax Consequences of Transaction. The Seller has received an opinion from Miles & Stockbridge P.C., Bond Counsel, dated the Closing Date, to the effect that under existing laws, regulations, rulings and decisions, interest payable under this Agreement is not includible in the gross income of the Seller for federal income tax purposes, which opinion assumes continuous compliance with certain covenants in the Tax Certificate and Compliance Agreement to be executed and delivered by the County on the Closing Date and is otherwise limited in accordance with its terms. The Seller acknowledges that [he] [she] [it] [they] [has] [have] made their own independent investigation and [has] [have] consulted with attorneys, accountants and others selected by the Seller in the Seller's sole discretion with respect to all other tax considerations related to the transaction contemplated hereby (including,

but not limited to, installment sales treatment under Section 453 of the Code, charitable contribution deductions under Section 170 of the Code, and federal estate tax implications); and the Seller certifies that the Seller has not looked to or relied upon the County or any of its officials, agents or employees, or to Bond Counsel, with respect to any of such matters.

## ARTICLE VI THE REGISTRAR

SECTION 6.1. Appointment of Registrar. Manufacturers and Traders Trust Company, a New York banking corporation, is hereby designated and appointed to act as Registrar for this Agreement.

SECTION 6.2. Ownership of Agreement. The Registrar, in its individual capacity or as trustee for holders of participation interests in this Agreement, may in good faith buy, sell, own and hold this Agreement, and may join in any action which any Registered Owner may be entitled to take with like effect as if it did not act as Registrar hereunder. The Registrar, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the County and may act as depository, trustee or agent for other obligations of the County as freely as if it did not act in any capacity hereunder.

SECTION 6.3. Removal of Registrar and Appointment of Successor Registrar. The County shall have the right, subject to the terms of any agreement with the Registrar, to remove the Registrar at any time by filing with the registrar to be removed, and with the Registered Owner, an instrument in writing. Notwithstanding the foregoing, such removal shall not be effective until a successor Registrar has assumed the Registrar's duties hereunder.

SECTION 6.4. Qualifications of Successor Registrar. Any successor Registrar shall be either (a) the Department of Finance of the County, (b) an officer or employee of the County, or (c) a bank, trust company or other financial institution duly organized under the laws of the United States or any state or territory thereof which is authorized by law and permitted under the laws of the State to perform all the duties imposed upon it as Registrar by this Agreement.

SECTION 6.5. Successor by Merger or Consolidation. If the Registrar is a bank, trust company or other financial institution, any institution or corporation into which the Registrar hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Registrar hereunder shall be a party or any institution or corporation succeeding to the corporate trust business (if any) of the Registrar, shall be the successor Registrar under this agreement, without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Agreement to the contrary notwithstanding.

## ARTICLE VII MISCELLANEOUS

SECTION 7.1. Successors of County. In the event of the dissolution of the County, all the covenants, stipulations, promises and agreements in this Agreement contained, by or on behalf of, or for the benefit of, the County, the Seller, any other Registered Owner and the Registrar, shall bind or inure to the benefit of the successors of the County from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of the County shall be transferred.

SECTION 7.2. Parties in Interest. Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation, other than the County, the Seller, any other Registered Owner and the Registrar, any right, remedy or claim under or by reason of this Agreement, this Agreement being intended to be for the sole and exclusive benefit of the County, the Seller, any other Registered Owner from time to time of this Agreement and the Registrar.

SECTION 7.3. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns, including, without limitation, all Registered Owners from time to time of this Agreement.

SECTION 7.4. Severability. In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Agreement and this Agreement shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

SECTION 7.5. Prior Agreements Cancelled; No Merger. This Agreement shall completely and fully supersede all other prior agreements, both written and oral, between the County and the Seller relating to the acquisition of the Development Rights. Neither the County nor the Seller shall hereafter have any rights under such prior agreements but shall look solely to this Agreement and the Deed of Easement for definitions and determination of all of their respective rights, liabilities and responsibilities relating to the Land, the Development Rights and the payment for the Development Rights. In addition, this Agreement shall survive the execution and recording of the Deed of Easement in all respects and shall not be merged therein.

SECTION 7.6. Amendments, Changes and Modifications. This Agreement may not be amended, changed, modified, altered or terminated except by an agreement in writing between the County and the then-Registered Owner. An executed counterpart of any such amendment shall be attached to this Agreement and shall be binding upon such Registered Owner and all successor Registered Owners.

SECTION 7.7. No Personal Liability of County Officials. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, officer, agent or employee of the County in his or her individual capacity, and neither the officers or employees of the County nor any official executing this Agreement shall be liable personally on this Agreement or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 7.8. Governing Law. The laws of the State shall govern the construction and enforcement of this Agreement.

SECTION 7.9. Notices. Except as otherwise provided in this Agreement, all notices, demands, requests, consents, approvals, certificates or other communications required under this Agreement to be in writing shall be sufficiently given and shall be deemed to have been properly given three Business Days after the same is mailed by certified mail, postage prepaid, return receipt requested, addressed to the person to whom any such notice, demand, request, approval, certificate or other communication is to be given, at the address for such person designated below:

County: Howard County, Maryland  
George Howard Building  
3430 Court House Drive  
Ellicott City, Maryland 21043  
Attention: Director of Finance

with a copy to:

Margaret Ann Nolan, Esquire  
County Solicitor  
George Howard Building  
3430 Court House Drive  
Ellicott City, Maryland 21043

Seller:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Registrar:

Manufacturers and Traders Trust Company  
25 South Charles Street  
Baltimore, Maryland 21201  
Attention: Corporate Trust Department

Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, demands, requests, consents, approvals, certificates or other communications shall be sent hereunder.

SECTION 7.10. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall not be a Business Day, such payment may, unless otherwise provided in this Agreement, be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as

if done on the nominal date provided in this Agreement, and in the case of payment no interest shall accrue for the period after such nominal date.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

WITNESS the signatures and seals of the parties hereto as of the date first above written.

WITNESS:

\_\_\_\_\_

\_\_\_\_\_(SEAL)  
Name: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_(SEAL)  
Name: \_\_\_\_\_

[COUNTY'S SEAL]

HOWARD COUNTY, MARYLAND

ATTEST:

By: \_\_\_\_\_  
Ken Ulman,  
County Executive

\_\_\_\_\_  
Lonnie R. Robbins,  
Chief Administrative Officer

Approved for Legal  
Sufficiency this \_\_\_\_  
day of \_\_\_\_\_, 201\_\_.

Approved for Sufficiency of  
Funds:

\_\_\_\_\_  
Margaret Ann Nolan,  
County Solicitor

\_\_\_\_\_  
Sharon F. Greisz,  
Director, Department of Finance

SCHEDULE I

INSTALLMENTS OF  
DEFERRED PURCHASE PRICE

Date of Payment

Amount Payable

\$

TOTAL DEFERRED  
PURCHASE PRICE



EXHIBIT B

DESCRIPTION OF LAND

EXHIBIT D

ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ and  
\_\_\_\_\_ ([collectively,] the "Seller") hereby sell[s], assign[s] and transfer[s]  
unto \_\_\_\_\_, without recourse, all of the Seller's right,  
title and interest in and to the Installment Purchase Agreement to which this Assignment is attached;  
and the Seller hereby irrevocably directs the Registrar (as defined in such Agreement) to transfer  
such Agreement on the books kept for registration thereof. The Seller hereby represent[s],  
warrant[s] and [certify] [certifies] that there have been no amendments to such Agreement [except  
\_\_\_\_\_].

Date: \_\_\_\_\_

WITNESS:

\_\_\_\_\_  
  
\_\_\_\_\_

\_\_\_\_\_  
  
NOTICE: The signature on this  
Assignment must correspond with of  
the name of the Registered Owner  
as it appears on the registration  
books for the Installment Purchase  
Agreement referred to herein in every  
particular, without alteration or  
enlargement or any change whatever.

EXHIBIT E

TRANSFER OF AGREEMENT - SCHEDULE OF TRANSFEREES

The transfer of this Installment Purchase Agreement may be registered only by the Registered Owner under such Agreement in person or by its duly authorized officer or attorney upon presentation hereof to the Registrar, who shall make note thereof in the books kept for such purpose and in the registration blank below.

Date of Registration of Transfer	Name of Transferee Registered Owner	Outstanding Balance of Deferred Purchase Price	Signature of Registrar

BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on August 1, 2011.

Stephen M. LeGendre  
Stephen M. LeGendre, Administrator to the County Council

BY THE COUNCIL

This Bill, having been passed by the yeas and nays of two-thirds of the members of the Council notwithstanding the objections of the Executive, stands enacted on \_\_\_\_\_, 2011.

Stephen M. LeGendre, Administrator to the County Council

BY THE COUNCIL

This Bill, having received neither the approval nor the disapproval of the Executive within ten days of its presentation, stands enacted on \_\_\_\_\_, 2011.

Stephen M. LeGendre, Administrator to the County Council

BY THE COUNCIL

This Bill, not having been considered on final reading within the time required by Charter, stands failed for want of consideration on \_\_\_\_\_, 2011.

Stephen M. LeGendre, Administrator to the County Council

BY THE COUNCIL

This Bill, having been disapproved by the Executive and having failed on passage upon consideration by the Council stands failed on \_\_\_\_\_, 2011.

Stephen M. LeGendre, Administrator to the County Council

BY THE COUNCIL

This Bill, the withdrawal of which received a vote of two-thirds (2/3) of the members of the Council, is withdrawn from further consideration on \_\_\_\_\_, 2011.

Stephen M. LeGendre, Administrator to the County Council



# Howard County

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## *Agricultural Land Preservation Program*

### MEMORANDUM

**Subject:** Testimony for Wilbur and Lillie Mae Zepp Living Trust Property Installment Purchase Agreement

**To:** Lonnie Robbins, Chief Administrative Officer, Department of Administration

**Through:** Marsha S. McLaughlin, Director, Department of Planning and Zoning *MS*

**Through:** Susan Overstreet, Acting Chief, Resource Conservation Division, Department of Planning and Zoning *SO*

**From:** Joy Levy, Agricultural Land Preservation Program Administrator, Department of Planning and Zoning *JL*

**Date:** June 8, 2011

The Department of Planning and Zoning, of which the Agricultural Land Preservation Program is a part, supports Council Bill No. -2011. This bill approves an Installment Purchase Agreement to acquire an agricultural preservation easement on property owned by the Wilbur and Lillie Mae Zepp Living Trust. Section 15.507(g)(4) of the Howard County Code requires County Council approval of a multi-year Installment Purchase Agreement pursuant to Section 612 of the Howard County Charter.

The approval of an Installment Purchase Agreement for the Wilbur and Lillie Mae Zepp Living Trust property would preserve 186.2 acres of productive farmland in the County, adding to the more than 20,850 acres that have been preserved to date. The easement will cost \$5,921,000 to acquire. The funding comes from the portion of the transfer tax dedicated to the agricultural land preservation program. When the twice yearly interest payments that the IPA provides are factored in, the overall cost of the Zepp easement will be \$7,447,969.64. This farm is desirable because it is large, level and with good road access. This makes it valuable for development as well as for farming. Having met all eligibility criteria for the acquisition of an agricultural preservation easement, staff supports Council Bill No. -2011 and hopes that the County Council moves to approve it. Thank you for your consideration.

cc: Jennifer Sager, Legislative Coordinator, Department of Administration  
Sharon Greisz, Director, Department of Finance  
Lisa O'Brien, Senior Assistant County Solicitor, Office of Law  
Ag Read File  
Zepp File